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ANNUAL REPORT

1974-75

VAULT

Alberta

BUSINESS DEVELOPMENT
AND TOURISM

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Department of Business
Development and Tourism

Edmonton, Alberta

March 16, 1976

To His Honour

RALPH E. STEINHAUER

Lieutenant Governor of the Province of Alberta

Sir:

The undersigned has the honour to submit herewith the report of the Department of Industry and Commerce for the year ended March 31, 1975.

Respectfully submitted,

R. W. Dowling
Minister of Business
Development and Tourism

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Department of Business
Development and Tourism
1828 Centennial Building
Edmonton, Alberta

March 16, 1976

To The Honorable
R. W. Dowling,
Minister of Business Development and Tourism

Sir;

I have the honor to submit a report covering activities of the Department of Industry and Commerce for the fiscal year ended March 31, 1975, as required under Section 35.1 of the Legislative Assembly Act.

Respectfully submitted

A. G. McDonald
Deputy Minister

EXECUTIVE OF THE DEPARTMENT

March 31, 1975

DEPUTY MINISTER	A. G. McDonald
FINANCE AND ADMINISTRATION DIVISION	
Assistant Deputy Minister	N. F. Wm. Picard
Director, Budgetary and Administrative Services	E. R. Halberg
Director, Business and Financial Analysis	E. G. Capling
Director, Personnel Services	T. T. Buck
ECONOMIC DEVELOPMENT DIVISION	
Assistant Deputy Minister	W. J. M. Wenzel
Executive Director, Regional Services	K. Broadfoot
Executive Director, Industrial Development	A. Vanterpool
Executive Director, (Acting), International Marketing	P. Cutler
TRANSPORT RESEARCH AND DEVELOPMENT	
Assistant Deputy Minister	J. W. Telford
Executive Director	G. Seddon
ECONOMIC RESEARCH AND ANALYSIS	
Executive Director	R. Norgren

FINANCE AND ADMINISTRATION DIVISION

ANNUAL REPORT

FISCAL YEAR 1974-75

Introduction

While principally involved in the administration of the department, the function of this division also includes examining business and financial considerations, particularly those relating to large and special projects. In this connection the division makes recommendations to the minister and through him to the government.

There are five branches in this division: Business and Financial Analysis. Personnel Services, Public Relations, and Budgetary and Administrative Services. Following are the significant developments which took place in each of these branches during the period under consideration.

Business and Financial Analysis

During the period under consideration, the Business and Financial Analysis Branch was established through the recruitment of a senior staff member. The responsibilities of this branch include the conduct of broad and in-depth examinations of businesses with particular reference to financial needs for large and special projects.

It also has the responsibility to endeavour to ensure that levels of financing adequate for balanced growth and diversification of Alberta businesses are available and, in this regard, there has been significant activity in:

(a) provision of advice to businesses on potential areas of financing;

(b) liaison with other branches of the department in the development of new programmes to assist industry;

(c) liaison with other departments to enhance the climate for industry development in Alberta;

(d) provision of suggestions for dealing with the financial problems of specific businesses.

In addition to the foregoing areas of responsibility, there has been an involvement in the drafting of legislation, regulations and by-laws relating to the needs of business institutions within the province.

Personnel Services

In 1974 a professional personnel manager was hired by the department as part of the intention to identify the departmental personnel programme as a separate and distinct staff function. The major personnel activity in this fiscal year was to complete an active recruitment and selection programme for various branches which culminated in the appointments of over 40 professional and administrative support staff. This year also saw implementation in the department of the Management Performance Appraisal System with the assistance of branch co-ordinators. A decision was further made to commit this department's participation in 1975-76 to a new employee evaluation programme.

A further major commitment of the personnel function was to introduce a departmental career development programme. The separate identity of the personnel function resulted in an appropriate emphasis on this most important staff service in a growing department whose personnel programming needs have increased both in value and complexity.

Public Relations

During the 1974-75 fiscal year, the public relations function was performed by one Public Affairs Manager and a stenographer from Temporary Services. Additional assistance was received from the Public Affairs Bureau and various freelance writers. Duties performed included the issuance of news releases, arrangements made for news conferences and interviews, the creation and placement of advertising, production of department publications, and writing of speeches.

An independent survey was done during the year by Vickers and Benson (Western) Ltd to assess the communications needs of the department. Their report recommended expanding duties and an enlarged communication section made up of three Public Affairs Officers and sufficient office support staff and steps were taken during the year towards that goal.

Budgetary and Administrative Services

During the year, this branch continued to provide central services in the form of mail, messenger and stationery supplies room. A sharply increased volume of these services reflected the growth of the Department as a whole. Also, a review of the photo reproduction activity was undertaken and resulted in a plan being implemented involving the installation of smaller demand copiers on our four floors in the Centennial Building.

The volume of invoices and expense accounts processed during the year continued to increase, reflecting the completion of a staff recruitment program.

As a result of the Department's involvement in program budget pilot program in 1974, the co-ordination and preparation of the 1975/76 budget was considerably increased in complexity.

During the year the branch continued to be involved in projects such as establishing a performance appraisal system for managers and the allocation of managerial pay.

Under the aegis of the branch, new offices for the Regional Services Branch in Camrose and Lethbridge were co-ordinated with Alberta Public Works to accommodate the appointment of Economic Development Representatives at those locations. Further, the Regional Services offices in Medicine Hat and Grande Prairie were relocated, providing better facilities in which to meet local business people.

INDUSTRY AND COMMERCE DEPARTMENT

EXPENDITURE CLASSIFIED BY APPROPRIATIONS AND CHARACTER

FOR THE YEAR ENDED MARCH 31, 1975

INCOME ACCOUNT

Service	1601 Minister's Office	1602 Deputy Minister's Office	1610 Finance and Administration	1611 Budgetary and Administrative Services	1612 Economic Research and Analysis	1620 Economic Development	1621 International Marketing
Advertising	$ —	$ —	$ —	$ —	$ 653	$ —	$ 7,671
Automobiles, trucks and mobile equipment, purchase	5,554	—	—	—	—	—	—
Automobiles, trucks and mobile equipment, expenses	80	—	—	647	—	—	22
Canada Pension—government portion	649	411	480	1,625	3,438	530	2,227
Compensation	—	—	—	—	—	—	—
Contracts and agreements	—	—	—	—	400	—	3,202
Entertainment expenses	297	1,828	850	—	904	4,352	25,803
Fees and commissions	17,691	13,168	6,636	2,011	57,239	5,574	146,022
Freight, express and cartage	1,271	31	25	142	7,869	93	6,295
Furnishings, equipment and tools	329	678	2,309	1,368	2,040	872	2,235
Grants, prizes	—	—	—	—	—	—	719
Group life insurance—government portion	130	—	200	—	—	197	790
Hospitalization	—	—	—	—	—	—	735
Insurance	—	118	183	461	922	—	615
Materials and supplies—administrative	1,839	2,934	2,753	6,047	63,944	4,297	15,618
Materials and supplies—construction	—	—	—	49	—	—	—
Medical insurance—government portion	155	121	124	417	789	170	768
Miscellaneous expenses	—	—	—	—	—	—	167
Postage	—	90	216	619	4,230	398	1,666
Rentals	2,057	868	2,308	1,380	9,907	2,180	6,048
Repair and maintenance of furnishings, equipment and tools	—	—	—	—	—	—	3
Repair and maintenance of office machines	138	87	84	825	2,369	107	426
Salaries	37,304	43,865	60,736	100,339	240,966	60,738	185,939
Telephone and telegraph	6,667	5,028	515	1,381	8,681	5,853	10,834
Travelling expenses of other than public servants	4,633	2,731	48	49	4,798	997	35,719
Travelling expenses of public servants	3,286	4,453	1,512	1,269	18,630	12,928	63,410
Tuition	—	—	—	—	233	—	347
Unemployment insurance—government portion	570	393	517	1,532	3,108	457	2,391
Utilities	—	—	—	—	—	—	—
Wages	4,892	1,958	5,588	16,953	48,569	86	3,218
TOTAL: Income Account	$ 87,542	$ 78,762	$ 85,084	$ 137,114	$ 479,689	$ 99,829	$ 522,890

Statement No. 43—*Continued*

INCOME ACCOUNT

Service	1622 Industry Development	1623 Industry Promotion	1626 Regional Services	1627 Transport Research and Development	1630 Research Council of Alberta	Totals
Advertising	$ 2,702	$ 2,496	$ 2,100	$ —	$ 7,889	$ 23,511
Automobiles, trucks and mobile equipment, purchase	—	—	—	—	80,182	85,736
Automobiles, trucks and mobile equipment, expense	—	—	—	—	58,576	59,325
Canada Pension—government portion	1,441	814	3,014	3,076	34,370	52,075
Compensation	—	—	—	—	3,049	3,049
Contracts and agreements	—	421	—	8,822	421,388	434,233
Entertainment expenses	3,304	25,470	2,089	4,420	1,873	71,190
Fees and commissions	68,152	153	128,286	271,957	226,276	943,165
Freight, express and cartage	9,678	747	8,877	12,596	25,332	72,956
Furnishings, equipment and tools	4,124	—	6,844	5,992	500,257	527,048
Grants, prizes	3,141	1,045	34,013	1,301,987	335,900	1,676,805
Group life insurance—government portion	492	357	1,075	1,124	16	4,381
Hospitalization	—	—	—	—	—	735
Insurance	—	—	—	—	5,739	8,038
Materials and supplies—administrative	10,367	13,801	31,111	14,570	355,421	522,702
Materials and supplies—construction	16	—	1	35	80,565	80,666
Medical insurance—government portion	500	322	1,002	1,055	11,329	16,752
Miscellaneous expenses	—	—	—	1	27	195
Postage	2,169	1,628	2,568	757	9,302	23,643
Rentals	4,133	949	4,536	7,070	121,582	163,018
Repair and maintenance of furnishings, equipment and tools	26	—	1	25	25,969	26,024
Repair and maintenance of office machines	352	133	691	494	8,145	13,851
Salaries	159,460	90,804	248,936	299,197	3,606,564	5,134,848
Telephone and telegraph	5,918	1,076	6,654	12,461	40,695	105,763
Travelling expenses of other than public servants	4,634	497	6,612	10,893	9,221	80,832
Travelling expenses of public servants	29,850	6,112	44,442	50,833	162,275	399,000
Tuition	—	—	100	2,000	191	2,871
Unemployment insurance—government portion	1,168	899	2,782	2,818	34,733	51,368
Utilities	—	—	—	—	7,082	7,082
Wages	4,118	1,361	6,104	8,445	25,535	126,827
TOTAL: Income Account	$ 315,745	$ 149,085	$ 541,838	$ 2,020,628	$ 6,199,483	$ 10,717,689

INDUSTRY AND COMMERCE DEPARTMENT

REVENUE

FOR THE YEAR ENDED MARCH 31, 1975
(with comparative figures)

INCOME ACCOUNT

	1975	1974
Fees and Permits:		
Coal analysis	$ 498	$ 708
Gasoline testing	20,686	24,876
Industrial engineering services	8,132	9,208
Witness	—	10
	29,316	34,802
Government of Canada:		
National Research Council:		
Technical information service grant	90,500	86,600
Refunds of Expenditure:		
Product research and development	—	186
Reimbursement of salaries and expenses:	—	240,263
Research Council—product research	242,333	—
Environment	26,066	—
Highways and transport	72,384	—
Land reclamation study	6,272	—
Sale of reports	23,000	18,863
	370,055	259,312
Miscellaneous:		
Research Council	20,378	4,262
Other	773	3,706
	21,151	7,968
TOTAL: Income Account	$ 511,022	$ 388,682

SUMMARY OF ACTUAL AND ESTIMATED REVENUE

FOR THE YEAR ENDED MARCH 31, 1975

	Actual	Estimated	In excess of or *less than estimates
Income Account:			
Fees and permits	$ 29,316	$ 35,000	$ 5,684*
Government of Canada	90,500	86,600	3,900
Refunds of expenditure	370,055	228,315	141,740
Miscellaneous	21,151	5,920	15,231
	$ 511,022	$ 355,835	$ 155,187

Total	Expended	Unexpended	Over expended	Remarks
$ 72,340	$ 87,542	$ —	$ 15,202	O/C 320/75
53,400	78,762	—	25,362	O/C 320/75
85,944	85,084	860	—	
110,382	137,114	—	26,732	O/C 320/75
598,184	479,689	118,495	—	
77,830	99,829	—	21,999	O/C 320/75
1,274,130	522,890	751,240	—	
315,878	315,745	133	—	
246,054	149,085	96,969	—	
15,000	—	15,000	—	
567,082	541,838	25,244	—	
2,025,180	2,020,628	4,552	—	
6,135,556	6,199,483	—	63,927	T.M. 1264
$ 11,576,960	$ 10,717,689	$ 859,271 (Net)	—	

INDUSTRY AND COMMERCE DEPARTMENT

STATEMENT OF LEGISLATIVE AND EXECUTIVE APPROPRIATIONS, EXPENDITURES AND UNEXPENDED BALANCES

FOR THE YEAR ENDED MARCH 31, 1975

Payments for the year ended March 31, 1975	No. of Apprn.	Service	Legislative	Executive
		INCOME ACCOUNT		
$ 86,822	1601	Minister's Office	$ 72,340	$ —
86,651	1602	Deputy Minister's Office	53,400	—
84,011	1610	Finance and Administration	85,944	—
136,321	1611	Budgetary and Administrative Services	110,382	—
424,635	1612	Economic Research and Analysis	598,184	—
98,815	1620	Economic Development	77,830	—
537,226	1621	International Marketing	1,274,130	—
385,345	1622	Industry Development	315,878	—
143,786	1623	Industry Promotion	246,054	—
—	1625	Lesser Slave Lake Projects	15,000	—
483,496	1626	Regional Services	417,082	150,000
1,335,277	1627	Transport Research and Development	1,757,693	267,487
6,357,364	1630	Research Council of Alberta	4,840,556	1,165,000
				* 130,000
$ 10,159,749		TOTAL: Income Account	$ 9,864,473	$ 1,712,487

* Transferred from Apprn. 2713—Salary Contingencies.

ECONOMIC DEVELOPMENT DIVISION

ANNUAL REPORT

FISCAL YEAR 1974-75

INTRODUCTION

The primary objective of the Economic Development Division is to provide creative earning opportunities for all Albertans. In order to achieve this objective, the division's aim has been to lessen the province's heavy reliance on primary production and resource extraction through increased development in secondary industry.

The Economic Development Division consists of three branches: Industry Development, Regional Services, and International Marketing. In addition, there are three foreign offices in London, Tokyo, and Los Angeles.

Following are the reports of the individual branches.

INDUSTRY DEVELOPMENT BRANCH

This branch was formed on March 1, 1974 for the purpose of:

- encouraging the establishment of new businesses;
- counselling, advising, and otherwise assisting existing businesses;
- providing the government with information on industrial activities in those business sectors important to the government decision making process;
- putting forward alternative sector strategies for consideration by government, which would enable the individual sectors to contribute as effectively as possible to the overall economic and social goals of the government;
- implementing, administering, and evaluating the government's economic development programs as they affect each sector.

Personnel

The establishment of the branch at March 31, 1975 was set at;

- one Executive Director;
- seven Sector Directors (chemical, energy, film industry, forest products, manufacturing and fabrication, professional services and service industries, and steel and minerals);
- five Industry Development Officers;
- nine support staff;

for a total of 22. Two director positions, two industry development officer positions, and two support staff positions remained unfilled at year end. During the year, three directors, one officer, and nine support staff were hired, while two directors and five support staff resigned, and one officer was reassigned to another area of the department.

Company Counselling

By far the major portion of the branch's activities concerned the counselling of entrepreneurs and company personnel. A total of 700 such meetings were held, and over 140 plant visits were undertaken during the year. Most of these meetings involved smaller Alberta owned and controlled enterprises.

The branch assists entrepreneurs in creating new businesses by advising them of government policies, programs, services and regulations, locating sources of financing, and in developing business plans.

Branch personnel assist existing companies to develop a better overall balance between technical, production, marketing, financial, and management functions, in order to make them more effective enterprises. In carrying out

these activities the branch worked with many other groups which have expertise and responsibilities in specific areas; e.g. Alberta Research Council, Alberta Export Agency, International Marketing Branch, Regional Services Branch, Finance and Administration Division, Transport Research and Development Division, Economic Research and Analysis Branch, Alberta Petroleum Marketing Commission, Alberta Energy Resources Conservation Board, Alberta Lands and Forests, Alberta Mines and Minerals, Alberta Treasury, Alberta Opportunity Company, Alberta Treasury Branches, Alberta Manpower and Labour, Alberta Environment, Alberta Agriculture, Alberta Attorney General, Alberta Telephones and Utilities, Alberta Federal and Intergovernmental Affairs, the federal Departments of Industry, Trade and Commerce, Regional Economic Expansion and various other federal and provincial departments and agencies.

INTER-GOVERNMENT AND INTER-AGENCY INVOLVEMENT

So as to provide as complete a service as possible to the Alberta business community, officers of the branch have become involved in a number of committees, associations, etc. These are listed below:

A. Interdepartmental Committees

- Computer/Communications Secretariat
- Crown Minerals Disposition Review Committee
- Development and Reclamation Committee
- Exploration Review Committee
- Petrochemical Working Group

These involved 106 meetings during the year.

B. Intergovernmental Committees/Activities

- B.C. Government re: coal, steel, transportation
- Design Management Centre (Winnipeg) Board of Directors

- European Economic Commission Timber Committee Mission to Canada
- Federal Government - Office of Design, Chemical Branch, Foreign Investment Review agency, Federal/Provincial Forest Industries Development Committee, Task Force on Rationalization in the Forest Industry, Federal/Provincial Committee on the Plastics Fabricating Industry, Canada/Alberta Industrial Training Program, Resource Industries and Construction Branch, and Metric Commission.
- Interprovincial Design Caucus
- "Man and His Resources" Ministerial Group on Film Production
- Travel Film Committee
- Urban Transit Development Committee
- Western Industry Minister's Conferences

These activities involved 107 meetings.

Contracts

The following were let during the year:

- Alberta Petrochemical Strategy Study: Stanley & Associates	$22,000.00
- Alberta Institute of Design Feasibility Study: Gary Andrishek	5,000.00
- Natural Gas Rebates Study: Foster Research Limited	7,250.00
- Future World/Markets for Non Coking Coal: Battelle Institute (Frankfurt)	12,000.00
- Macro/Micro Economic Analysis of U.S.: Petrochemical Demand and Supply to 1990: The Pace Co. (Houston)	9,500.00

Public Affairs

The branch was responsible for publishing the bimonthly "Alberta Commercial Report" until July, 1974. The report is now the responsibility of the Public Relations Manager assigned to the department.

Branch personnel delivered speeches to the following groups to explain the

branch's/department's activities/functions:

- Federal Industry, Trade & Commerce
  assistant trade commissioners on tour
- Alberta Association for Continuing Education
- Canada Manpower - senior foreign representatives
- Universities and College Placement Association of Canada
- Federal government, federal and international affairs staff
- Drumheller Chamber of Commerce
- Three local business groups re: "Management Systems and Why"
- MBA Graduate Association of Edmonton
- Economic Developers Association

Sector Activities

Each sector undertook a spectrum of activities during the year, their make-up reflecting the needs of the industrial community which the sectors represent and the requirements of government policy with respect to each sector.

There were no personnel assigned specifically to either the energy or the steel and minerals sectors during the fiscal year. The activities of these sectors were undertaken by personnel assigned from other sectors or from outside the branch.

A. Chemicals Sector

Two consultants' reports dealing with petrochemical policy were monitored during the fiscal year. A number of background papers were developed from these and the material was presented at 12 meetings of the energy committee of cabinet. This activity led to the passage of the Oil and Gas Conservation Amendment Act 1974

(Bill 59) and major decisions by cabinet on petrochemical policy in November, 1974. Throughout the year, discussions were held (usually at a company's request) with senior executives of multinational chemical companies. This interest was especially intense during the first half of the fiscal year, but declined in the last half due to the decreasing cash flow of the companies concerned. Lengthy negotiations with the major participants in petrochemical project "A" (i.e. the first phase of the ethane based ethylene/ethylene derivatives project) were held during January, 1975.

Sector personnel participated in the Alberta Energy Resources Conservation Board hearings on Alberta's requirements of energy resources for the period 1975 - 2004. Considerable inter-departmental work was entailed, leading up to a departmental position on applications before the board for industrial development permits for the construction of three world scale fertilizer plants in the province.

B. Energy Sector

Sector activity included developing a departmental position on coal policy, the Alberta Oil Sands Research and Technology Authority and the federal government's Emergency Oil Allocation Board. In addition there was involvement in the administration of Section 7 of the Regulations to the Natural Gas Rebates Act, as the Act affects large industrial consumers.

A number of proposals to build conventional oil refineries in the province were handled.

C. Film Industry Sector

The major activity of this sector has been, and will continue to be, the ongoing program of personal contact with the film production industry - both TV and motion picture. Without this continual reminding of influential personnel in the industry of the facilities offered by the province, no program to attract this particular industry to Alberta can hope to be successful.

The above activity has to be supplemented by on-the-spot assistance to those companies that are shooting on location in the province. This assistance involves interfacing with union locals and government bodies (at all political levels and especially the Alberta Opportunity Company), locating personnel and services, etc.

The director acted as producer for a joint government-private sector film entitled "The Ultimate Forest".

An inter-departmental program, which involves the close co-operation of the graphic arts industry and the associated unions, was initiated in an attempt to solve the recurring manpower shortage in the industry. Another program was initiated with the Alberta Professional Photographers Association which will provide a series of seminars and workshops aimed at helping to overcome management problems faced by their membership.

D. Forest Products

A major portion of the sector activity involved discussions with companies in the primary woods products sub-sector of the industry and its associated provincial trade association. As well, numerous discussions were held with the Department of Lands and Forests concerning the development, implementation and administration of policies and programs as they affect the two departments and the private sector. In particular, this activity gave rise, in conjunction with the Alberta Opportunity Company, to the Lumber Inventory Support Program in January, 1975.

Studies were started, and are still underway, aimed at developing programs concerning poplar utilization, utilization of wood waste to manufacture animal feed, charcoal, activated carbon, cut-to-size stock, pulp and paper, furniture dimension lumber; an economic price level for pulp chips produced by sawmills; and appropriate industry investment for new developments. It is anticipated that

these studies will give rise to new programs which will help companies in the sector to become more profitable and efficient.

E. Manufacturing and Fabrication Sector

The major involvement of this sector is the day to day counselling of entrepreneurs and senior officials of small companies. The effect of this activity is the more timely and efficient creation of new businesses, and the survival and more profitable operation of small Alberta owned and controlled companies. Furthermore, this particular sector deals with a wide diversity of industrial activity - ranging from some relatively simple "metal bashing" operations, through textile operations, to relatively complex electronic design and production activities.

Much of the output from several of the other sectors (i.e. chemicals, forest products, professional services, steel and minerals) is consumed by companies in the manufacturing and fabrication sector. The ultimate goal of the province's major industrial programs in the petrochemical and steel sectors will be reflected in the increased size, health and vigor of companies within the manufacturing and fabrication sector.

Most inquiries made to the sector were in the metal fabricating, transportation equipment, machinery and plastic sub-sectors, and to a lesser degree, mining equipment, wire and wire products, truck bodies, insulation, oil field equipment, hardware, clay products, recycled products, structurals, telephone equipment, pole line hardware, pollution control equipment, pipe fittings, aircraft, and gear reducers.

Efforts were also concentrated in establishing an awareness of and in defining sensitive areas in steel supplies and distribution, foundry capacities and products, iron ore availability, and Alberta project production gaps and services. Most of the work evolved into monitoring, conducting studies or making contribution to studies in these areas.

Manufacturing intelligence and development work was expanded in the plastics, metal fabricating, metal stamping, machinery, agricultural implement, transportation equipment, communications, process control and electronic equipment fields. This work varied from casual to in-depth surveys of production, marketing, financing, research and development, raw material supplies, manpower and forecasting.

Attempts to find a buyer for the Two Hills Chemical Company continued. The company was bought by the government to maintain jobs in the Two Hills area.

F. Professional Services and Service Industries

A major portion of the Professional Services and Service Industries Sector's activities involves the counselling of inventors, entrepreneurs, small company officials in the machine shop sub-sector, and consultants. Much of this activity is closely tied in with the Alberta Opportunity Company with respect to assisting the company to monitor its loans. Considerable assistance was given to several machine shops, especially in the area of developing suitable production cost accounting procedures.

The sector has played a major role in initiating industrial design activities in the province. The director co-sponsored a national meeting, and is chairman of the national "Design Caucus" which has been set up by several provinces.

A key-sort file system delineating expertise and fields of service for professional engineers, selected management consultants, entrepreneurs and selected small manufacturers was set up.

Part of the on-going program of the sector is to assist Alberta consultants to form consortia which will have the resources to compete on a world-scale basis. At the same time, attention is being paid to showing, especially the smaller Alberta companies, the benefits of employing consultants.

G. Steel and Minerals

A number of studies in the steel sub-sector have been undertaken outside the branch over the last year and a half. These include a report appraising the steel industry in the province, a detailed market study for steel in Canada, a freight rate analysis of iron and steel products, and practical studies on the feasibility of processing Clear Hills iron ore.

REGIONAL SERVICES BRANCH

Regional Economic Development

The purpose of this branch is to:

1. Provide opportunity and incentive to Albertans to participate in the economic development of the province.
2. Provide more and better jobs - give Albertans a broader opportunity to earn a good living in smaller communities.
3. Eliminate population and economic erosion in rural areas.
4. Help communities help themselves in providing an improved socio-economic life quality.

Activities

A. Community Economic Development

This is a self help program directed toward attracting new industry and commerce, the expansion of existing industry and commerce, and assisting communities to overcome those barriers (infrastructure deficiency for one) which prevent economic growth.

In 1974-75 we helped organize and then worked with community action committees to prepare economic development plans for 40 towns and cities, with an additional 42 being worked on. Each study identifies the commercial, industrial, service and related infrastructure needs of the community, identifying in each case how to get the job done. The plan provides priority and a sense of

direction in developmental matters for each town.

B. Rural Development Projects - For Small Towns

This is a grouping of a number of small towns in a geographic area to undertake common economic development goals. The department organized two more of these in the Lac La Biche and Crowsnest Pass areas. Each project area hires a co-ordinator who lives in one of the towns in the area, and working with the resources of the department, plans and implements a development program. Such things as assisting in the start-up of small local industries to provide local employment, finding doctors or dentists for the area, assisting the ownership transfer of a local grocery and general store so that it doesn't close leaving a gap in local services to the farm community, are the type of projects undertaken.

C. Regional Industrial Development

During 1974 there were 192 projects, either proposed, under construction or completed. Of these 124 or 65% were in rural Alberta. Petroleum and petrochemical, agricultural processing, and manufacturing were the leading sectors.

D. Communication

1. The branch completed a compilation of company data that is allowing the department to determine the gaps that may be filled by new industry, expansion and import replacement.
2. A listing of opportunities for business development in rural Alberta was completed. Advertising of this listing is to begin shortly.
3. Brochures on the "Ethylene Story" and the "Alberta Growth Plan" were completed and distributed to businessmen, public places, and all banks throughout the province.
4. A Community Data Book and Fact Pack for business clients seeking location in rural Alberta were published.

E. A pilot project study was completed for Downtown Redevelopment, which is now under review by government.

F. Studies in the areas of industrial land assistance and regional feasibility of typical rural industries were completed.

F. The branch assisted in the organization and implementation of the airport program and the mainstreet program of the Devonian Institute.

H. The branch decentralized and increased the department's services to locations outside of Edmonton as follows:

1. Opened economic development offices in Lethbridge, Camrose, and Calgary - Rural.
2. Added a Development Co-ordinator in the Calgary office to provide increased assistance to Calgary and southern Alberta businessmen.
3. Added a Director of Projects who will be responsible for the special projects being implemented in rural Alberta.
4. Founded a Chamber of Commerce rural school project which will being a closer understanding of the operations of business and of local opportunities to young people graduating from our schools.

INTERNATIONAL MARKETING BRANCH

The International Marketing Branch continued its program to interview Alberta manufacturers so as to update information on those Alberta manufacturers and service companies with the interest and the ability to enter external markets.

The branch performed a service to other departments and agencies in providing them with information as to Alberta sources of various goods and services.

At the request of specific Alberta manufacturers, the branch provided assistance in developing a marketing program so that these firms could profitably enter both domestic and foreign markets. To further assist Alberta companies in

developing new markets, the branch published a bi-monthly bulletin outlining goods and services available for export markets. This "Alberta Memorandum" has been well accepted by business and by the foreign trade posts of the federal government. As one of its programs, the branch has been carrying out extensive work in evaluating specific foreign market areas. As a result, substantial information has been obtained on several middle eastern countries and preliminary data is being assessed on potential market areas in Europe, Latin America, Pacific rim countries, eastern European countries, and particularly the United States market areas.

The branch participated in missions to Brazil, Norway, Sweden, China and Japan. Specifically these missions related to assessing the possibilites of supplying sulphur and coal to Brazil, offshore drilling operations with equipment and expertise in the North Sea area, and prefabricated housing market potentials in China and Japan.

During the 1974/75 fiscal year, the branch initiated an intensive effort at assessing potential market opportunities in Latin America. This included active participation in several projects of the Canadian Association for Latin America (CALA), with a view to evaluating the possibility of a sales mission at a later date as well as the total market potential of Latin American countries.

As well as meeting with representatives of the various federal posts overseas, branch staff met with incoming missions from Europe, Japan, China, U.S.S.R., and Latin America.

Staff of the branch were also active on the various industry task forces.

In an effort to assist Alberta businessmen to take advantage of additional market opportunities, the branch was also active in promoting and organizing export seminars and workshops on a variety of topics.

INTERNATIONAL OPERATIONS

Information on markets, investment potential, and industry development is provided to the Economic Development Division by three overseas offices, in London, Tokyo and Los Angeles.

Through these offices, visits and meetings between Alberta Government officials and foreign businessmen, commercial organizations, and governments were arranged and hosted.

Information on the Alberta economy and possible investment opportunities have been presented through the foreign offices to individuals and groups of investors who have expressed an interest in the province.

The foreign office directors have maintained a close surveillance on new economic and technological developments in the respective areas, and have assisted numerous Alberta businesses in generating new markets, acquiring technology, financing or finding joint venture partners.

TRANSPORT RESEARCH AND DEVELOPMENT DIVISION

ANNUAL REPORT

FISCAL YEAR 1974-75

GENERAL

Under the aegis of Bill 15 - June 2, 1972, Industry and Commerce Act, responsibility for the development of Alberta's transportation interests was assigned to the Department of Industry and Commerce; from this bill the Transport Research and Development Division evolved to carry out this function.

The objective of the division is to promote optimum economic development by providing the means for the most effective marketing of Alberta products both domestically and internationally as well as ensuring efficient transportation facilities are available to all Albertans.

The Transport Research and Development Division is broken down into two branches: the Modal Branch, including air, road, rail, ports and waterways, pricing and analysis, and distribution services sections, and the Policy Planning and Research Branch.

Following are some of the most important projects in which Transport Research and Development is currently involved. These items are broken down by branch and program.

MODAL BRANCHES

Rail

1. Branch lines - The federal government allowed the freeze on western Canadian branch lines to be lifted January 1, 1975 and introduced their own branch line abandonment program. Transport Research and Development is currently in consultation with the federal government to ensure Alberta's

needs are protected. The division is also evaluating and assessing each branch line in Alberta to determine the value or potential that each line has.

2. System capacity - Transport Research and Development is attempting to find solutions to capacity constraints which the railways are presently facing. The division is assessing and evaluating the need for greater car and motive power supply and also the best method to increase equipment supply. Alberta is supporting C.P.R. in its application to construct double tracking through the mountains to increase its ability to move increased tonnages. The division is evaluating the need for increased track construction and trade off of lines between C.N.R. and C.P.R.

Air

1. Airport development - Alberta has initiated an airport development assistance program which will aid communities in Alberta to construct new and up grade existing airports. The program concentrates on northern airstrip development, community airport development and industrial airport development. This program is well underway with several communities having already received financial and technical assistance from the Alberta government.

2. Air policy - Alberta is actively engaged in the development of a third level air policy. The division has completed negotiations with the federal government to have input into the formation of regional air policy and bilateral decisions.

3. Air cargo - Development of air cargo capacity to, from and within Alberta is an ongoing project. Expanding world markets need the availability of air cargo capacity and the Alberta program is promoting the development of capability and routes.

Water

1. Port development - The division is actively engaged in encouraging the development of the port of Prince Rupert and the port of Churchill for the export of Alberta's products. The division is involved in the Hudson Bay Route Association, Churchill Development Board and the Prince Rupert Development Association in providing both financial and technical assistance. Negotiations with the National Harbour Board, federal government and the local harbour authorities ensure that Alberta's needs are known.

2. Port policy - The division participates as a member on the negotiating committee which is presently formulating the new national port policy. An Alberta ports policy has been developed which will be a major input to the national one.

Road

1. Viability of motor carrier industry - Because of increased costs to the motor carrier industry, there is a fear that its future economic viability is suspect. The division is presently developing cost and revenue information on inter and intraprovincial trucking to determine the extent of any possible cost/revenue squeeze which the industry may be facing. If there is a danger, then alternative solutions will be developed and evaluated to ensure Albertans are provided an efficient multimodal transportation network

2. Evaluation of regulation on the motor carrier industry - Alberta is the only one of Canada's ten provinces and two territories which does not regulate its intraprovincial motor carrier industry. The division is presently assessing the effect which regulations, of all kinds, have on the other provinces' motor carrier trade and is also assessing the impact which regulations would have on Alberta's trucking industry. The division is also involved in the formation of a new national set of regulations for the movement of hazardous commodities.

3. Access to California market - A viable alternative market place for Alberta's products lies in California. Transport Research and Development is evaluating and determining the transport costs and transport availability to this market-place.

Distribution Services

1. Seminars - Many businesses and small industries in Alberta do not have on staff sufficient transportation expertise to enable them to efficiently distribute their products. The division is conducting seminars throughout the province advising this type of transport user on how best to make use of available transportation service.

2. Industry survey - To project and plan for future transportation needs, small industry in Alberta is being surveyed to determine the type of transport service and the capacity of the transport network which will be required by Alberta shippers. Short term needs and problems will also be identified to allow the division to take corrective action.

Pricing and Analysis

1. Rate freeze - The division was involved in evaluating and assessing the impact which the rail rate increase of 30% had on Alberta shippers.

2. Equitable pricing technique - The division was involved in evaluating the rail pricing impact study to determine if the report's contents are valid and if its technical material is accurate.

3. The division provided continuous service to Alberta industry with regard to freight rate information and evaluation of same.

POLICY, PLANNING AND RESEARCH BRANCH

1. National transportation policy - From an Alberta position the division assisted in determining the gaps, holes and fallacies which exist in the present national transportation policy, formulating a new policy which will ensure that Alberta's needs and positions are protected.

2. Transportation planning - To plan for future transportation requirements the division has undertaken the Calgary - Edmonton corridor study, northern Alberta transportation study, and preliminary planning for an "Alberta transportation requirements forecast."

3. Urban transit - The division was involved with formulating the Alberta urban transit program, and developing liaison between Alberta, Ontario and the federal government to ensure Alberta's requirements are pursued.

4. Rail relocation - In April 1974 the federal government passed the Rail Relocation Bill (C-27). Alberta is now establishing a mechanism and program to deal with this matter provincially. When approved, rail relocation will be available to approximately sixty Alberta towns and cities. This division will aid these communities in developing plans and providing financial assistance.

FEDERAL/PROVINCIAL COMMITTEE ON WESTERN TRANSPORTATION

Much of the ongoing effort of the division is to maintain the consultative attitude between Alberta and the federal government which was established at W.E.O.C. (Western Economic Opportunities Conference). This is considered to be a very high priority. Results were evident on February 24, 1975 in Calgary where the federal government committed elimination of the anomalies.

ECONOMIC RESEARCH AND ANALYSIS BRANCH

ANNUAL REPORT

FISCAL YEAR 1974-75

Introduction

The primary function of the Economic Research and Analysis Branch in 1974 - 75 was to compile, analyze, and convey meaningful information in the form of verbal or written reports to those departments, branches, agencies of government, and groups, firms and individuals in the private sector participating in or developing the economy of Alberta.

The four main objectives of the branch have been:

1. To provide the Department of Industry and Commerce with a professional group capable of preparing research papers and reports concerning business development policy.
2. To prepare reports highlighting industrial development activities in Alberta.
3. To develop forecasts and economic outlook reports.
4. To undertake research into the travel industry in Alberta.

Before 1974, the Economic Research and Analysis Branch undertook feasibility studies and marketing analyses of industrial development prospects as well as economic forecasting and travel research for Alberta. In 1974, the branch was reorganized and services were expanded to include economic analysis of all aspects of the provincial economy and the responsibility for developing and recommending economic strategies for both the public and private sector. Following are the organization and major areas of research activity undertaken by the Economic Research and Analysis Branch during the 1974-75 fiscal year.

Organization

In 1974 there were 22 professional positions in the branch, including an executive director, 2 directors, 6 supervisors - senior economists, and 13 economists.

The branch was organized into the following areas of analysis.

Policy

The purpose of this section was to analyze economic conditions in Alberta and Canada and provide advice to senior department officials on policy options. The range of topics covered included:

- economic development issues in the province
- the Foreign Investment Review Act as it related to acquisitions in Alberta
- federal government purchasing policy in the western provinces
- tariffs and trade (GATT) and the relationship to Alberta
- federal programs relating to provincial economic development
- incentives for business and industry as they relate to Alberta business
- manpower/material shortages - industrial problems
- the Alberta Chamber of Commerce Manpower Conference
- premier's meeting with the Alberta Chamber of Commerce

Business Information

The Business Information Section provided information to businessmen as well as short term forecasts of economic activity in the province. To this end the sector was responsible for publishing:

- The Alberta Economic Outlook

  A monthly publication which investigated and interpreted current economic developments and their impact on the Alberta economy.

- Executive Report - 1975 ... A Survey of Executive Opinion

  A survey of executive opinion concerning the economic outlook for Alberta in 1975. (Annual).

In addition, the Business Information Section initiated a business information system which provided information of a more general nature to the businessmen of the province. The branch also published and distributed:

- The Alberta Manufacturers Index

  An alphabetical listing of Alberta manufacturers cross-referenced by products manufactured.

- Alberta Business Index of Professional Services in Engineering, Geology and Geophysics in Alberta.

  An alphabetical listing of consultants by major service branch and area of experience.

Industrial Economics

This section worked closely with the sector task forces of the Industry Development Branch of the department. The major involvement was with the following:

(1) Petrochemical Task Force

- assisted in the evaluation of the economics of producting certain petrochemicals, and an evaluation of the comparative advantages and disadvantages of locating such plants in Alberta.
- helped to assess impact of petrochemical plants on Alberta's economy.
- participated in cabinet briefings.

(2) Industrial Development Permits Task Force

- assisted in analyzing the economics of several fertilizer plants, and in preparing the department's recommendations on industrial development permits for those plants.

(3) Steel Task Force

- assisted in analyzing the economics of alternative methods of producing steel, and assessing the locational advantages and disadvantages of Alberta for each.
- assessed the possibilities of locating steel shaping facilities in Alberta.
- was heavily involved with the preparation of a strategy for developing Alberta's steel industry.

(4) Manufacturing Task Force

- assessed the locational advantages and disadvantages of establishing facilities to manufacture agricultural implements in Alberta.

In addition to its work for these task forces, this section prepared forecasts of coal, oil and natural gas prices, and undertook preliminary work on natural gas rebates for firms which consume unusually large quantities of natural gas.

Finally, this section has been extensively involved with the evaluation of new coal mines in Alberta, and their potential benefit to Albertans. The section has had considerable input into the formulation, with other departments of the government, of a coal development policy for Alberta.

Market Analysis

In order to assist provincial businessmen, this section prepared reports on the following commodities: bar grating, mobile homes, fibre-glass tanks,

video material, magnetite, aspen feed pellets, plastics, handball courts, alum, concrete fixtures, hockey sticks, breeding stations, smoke detectors, refrigeration units, and polythylene binder twine.

Travel Research

During 1974, the Travel Research Section co-operated with Travel Alberta in the completion of Study of Campground and Camping Activities in the Province of Alberta.

In addition to performing ongoing studies of the various sectors of the tourist industry, the section updated the Travel Data Book and was involved in a recreation demand study. As well, Travel Research was active as a member of the Alberta Government Recreation Committee and the technical sub-committee of the Travel Research Planning Committee of the Federal/Provincial Conference on Tourism.

Ongoing Analytical Work

1. In addition to supporting the line operations of the department during 1974 - 75, the branch completed several extensive impact studies indicating the possible effects of regional diversification. These studies were related to government actions relative to specific development areas.
2. As well, the branch provided analytical support to the Deputy Minister in the form of:
   (a) Continuous review of FIRA applications
   (b) Review on request of government policies, such as the Environment Conservation Authority Report on Land Use and Resource Development in the Eastern Slopes, the Corporate Income Tax Study, and studies of agricultural policies

(c) Joint work with western provinces - western industry ministers

(d) Liaison with Federal Department - Industry Ministers

(e) Review of the Canadian and Albertan economies

(f) Analysis of problem areas such as shortage of cement.

Economic Outlook Reports

Executive Report - 1974 ... a survey of executive opinion

A survey of executive opinion concerning the economic outlook for Alberta in 1974. (Annual).

The Mid-Year Economic Forecast ... executive report 1973

To provide a short-term economic outlook for the province of Alberta during the remainder of the current year. (Annual).

Alberta Economic Outlook

To provide a short-term forecast of economic activity in Alberta and comment on the expected impact of national and international economic affairs on the Alberta economy. (Monthly).

Market Reports

Mobile Homes and Recreational Vehicles in North America, 1970

Market Analysis - Calcium Chloride, 1970

Feasibility of Manufacturing Pot and Pearl Barley in Alberta, 1970

Wood Fibre Insulation Board Markets in Canada and United States, 1970

Potato Processing - A Study of Major Product Items, 1970

The Hosiery Industry, 1971

Wire Lawn and Garden Fence Study

Alfalfa Dehydrating in Alberta, Revised, 1971

Survey and Analysis of Resident and Non-Resident Travel, 1971

The Cheese Industry, 1972

Mobile Homes, 1974

Bar Grating, 1974

Fibreglass Tanks, 1975

Video Material, 1975

Magnetite, 1975

Alum, 1975

Aspen Feed Pellets, 1975

Plastics, 1975

Handball Courts, 1975

Concrete Fixtures, 1975

Hockey Sticks, 1975

Breeding Stations, 1975

Smoke Detectors, 1975

Refrigeration Units, 1975

Polyethylene Binder Twine, 1975

A Summary of "Opportunities for Manufacturing: Prairie Region to 1981", 1972

Analysis of Offshore Markets for Canadian Rapeseed Oil and Meal, 1972

Canadian Vegetable Oil and Meal Situation, 1972

Markets for Alberta Peat Moss, 1973

The Clothing Industry - Canada and Alberta, 1973

Market Potential for Alberta Wine, 1973

Market Potential for Alberta Lumber in Japan, 1973

Flakeboard - An Analysis of the Canadian Market for Sheathing Materials, 1972

A Review on the Market Potential for Particle Board in Western Canada, 1972

Manufacturing Opportunities - Mobile Shelter Components, 1973

Other Reports

Services to Business, 1973

A Guideline for Attracting New Industry, 1973

Announced Industrial Projects - Alberta Under Construction and Proposed for 1975

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